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securities, and the meeting of these needs is described in the concluding chapters of the volume.

In treating of Failure and Reorganization in volume V, the author goes below the surface in his analysis of the causes of failures and after outlining reorganization procedure in general, makes very special and detailed application of these principles to railroads with somewhat less specialized discussion of industrial reorganizations.

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NEW BOOKS

BALDWIN, D. C. *Capital control in New York*. (Menasha, Wis.: George Banta Co. 1920. Pp. xxiv, 255.)

This was prepared as a thesis for the degree of doctor of philosophy at the University of Pennsylvania. The book represents an intensive summary of the experience of New York. The contents may be summarized in part as follows: Part I, Statutory provisions for the administrative regulation of utility capitalization in New York; Part II, Original companies, with chapters on Amount of capitalization permissible, Ratio of stocks to bonds, Methods of control over the application of proceeds, The commissions and the investor, and The commissions and the courts; Part III, Additional capitalization for existing companies; Part IV, Refunding and reorganization; Part V, Consolidation, mergers and transfers of stock.

GECK, A. *Die Trustabwehrbewegung im deutschen Zigarettengewerbe*. Greifswalder Staatswissenschaftliche Abhandlungen, 5. (Greifswald: L. Bamberg. 1920. Pp. 249. 20 M.)

PARKER, J. S. and SMITH, J. B. R., editors. *The corporation manual*. Twenty-second edition, revised to January 1, 1921. (New York: U. S. Corporation Co. 1921. Pp. xv, 2062. \$20.)

PUTNEY, A. H. *Corporations; organization, financing, management*. (Chicago: Lincoln Inst. of Business. 1921. Pp. v, 408. \$3.)

SMITH, J. B. R., editor. *New York laws affecting business corporations*. Second edition. (New York: U. S. Corporation Co., 65 Cedar St. 1921. Pp. xxii, 248. \$2.)

TSCHIRSCHKY, S. *Zur Reform der Industriekartelle*. (Berlin: Springer. 1921. Pp. 96. 13.20 M.)

Labor and Labor Organizations

The High Cost of Strikes. By MARSHALL OLDS. (New York: G. P. Putnam's Sons. 1921. Pp. xvii, 286. \$2.50.)

Although the title indicates that this book is to be a condemnation of strikes the reader does not progress beyond the first few pages before he realizes that the author is cutting a much wider swath and is extending his condemnation to other activities and policies of labor

unions. Mr. Olds specifically disclaims any hostility to labor organization (p. xii), but he refers, in chapters 19 and 20, to the monopolistic form and predatory point of view of the modern labor group, and he urges that the Sherman Anti-trust law be invoked to bring about the dissolution of "labor monopolies." He would have them "reduced to a size commensurate with their normal functions and requirements which would be determined by a court on the merits of each individual case." Furthermore, while the discussion applies almost exclusively to labor troubles during the past few years when conditions were very unusual, the author's strictures upon the policies and methods of organized labor are generalized as though they applied to all times and conditions.

The case against strikes is summarized as follows: (1) Strikes are not only a general charge on the industry involved and on the country as a whole, but are a direct and specific tax upon the average individual. They have increased the price of vegetables 100 per cent, clothes \$20 to \$30 per suit, and coal 100 to 200 per cent. (2) Strikes cost the individual much more in indirect ways, *e.g.*, steel, coal, railroad, and building strikes have caused a housing shortage that has raised rents in New York an average of \$32 per month. (3) The cost of strikes is out of all proportion to the number of workers involved. "The strike of only a few thousand railroad workers at a time for a few months raised general prices over a billion dollars." (4) Strikes which compel the use in an industry of more laborers than are needed not only increase the cost of that product but they increase costs of production in other industries which are thereby prevented from securing an adequate labor supply. (5) The public suffers greatly because it is the strategy of unscrupulous leaders to force intervention by inflicting maximum injury on the public. (6) Labor is injured most by strikes since every workman suffers as part of the general public and in addition suffers because of the time lost directly or indirectly through strikes. (7) In 1919 strikes caused a primary loss of 134,000,000 working days and a secondary loss probably twice as great. (8) The great bulk of recent strikes have had no justifiable aim. (9) In some industries, such as clothing, where strikes seemed notably successful, the high wages obtained increased the price of the product and therefore caused a cessation of public buying. This resulted in general unemployment in the industry. (10) The chief results of recent strikes have been to increase the personal power of the union leaders and to foment radicalism and labor unrest.

The book will receive hearty welcome from poorly informed persons who are eager for available ammunition in criticism of labor organization and its leaders; it will be as violently rejected by professional labor leaders; while the student who is seeking a thoroughgoing analy-

sis and a dispassionate consideration of one of the most important economic problems confronting the nation, will find it very disappointing. The reviewer confesses that there are few pages in the volume which do not contain statements with which he disagrees.

The animus of the author may be deduced from his frequent repetition of such popular catch-phrases as "Lenine-Trotsky ideals," "Lenine-Trotsky methods," and "Lenine-Trotsky results." The type of "logic" which is frequently employed is suggested by the criticism of certain strikes which were inaugurated to secure higher wages and shorter hours. The particular strikes criticized, it is asserted, were unjustifiable because other groups of workers, *e.g.*, teachers and farmers, were at that time employed, in the one case, at lower wages and, in the other, for longer hours. Such extreme statements as the following are not likely to predispose a reader to accept the author's conclusions: "Neither the President of the United States nor any officer or group of officers in our entire government possesses the possibility of such power to injure all the rest of the people as is possessed and was exercised by the coal union leaders" (pp. 159-160).

Limitations of space restrict further dissent to two fundamental theses. (1) The impression is given that organized labor domination in any industry is conducive to strikes. This view is directly contrary to the conclusions reached by many students of labor organization. The comparative infrequency of strikes in the railroad, printing, brewing, and certain other industries is rather attributed to the strength of the organizations of the workers in those industries. The reasons for such conclusion have been set forth so clearly and so frequently by the Webbs in England, and by Janes, Weyforth, and others in America that they require no repetition. The frequency of strikes among the building trades is due, on the contrary, to *disorganization*. The labor troubles are chiefly jurisdiction disputes, the only remedy for which, in the opinion of the reviewer, is an abandonment of the innumerable craft unions, which cause disorganization within the industry, and the substitution of a single, all-embracing union of the industrial type.

(2) It is asserted (p. 76) that the "primary and basic and biggest reason" for the rise in the price level during and after the war "was strikes." As a matter of fact serious labor troubles were not especially numerous until after the price level had moved up considerably. Both the price advance and the "strike mania" were to a great extent stimulated by another influence—inflation.

The occurrence and persistence of strikes is deplorable—there is general agreement to this, at least. The author's suggestions for improving the situation are: (a) large-minded and conciliatory management; (b) better understanding of the relationship between the worker and

his job; (c) adoption of a plan for peaceful adjustment of difficulties patterned after the Mackenzie-King Canadian plan; (d) subject labor to the Sherman Anti-trust law, by withdrawing special privileges and exemptions now enjoyed; (e) make labor organizations legally responsible for their acts; (f) general adoption of the open shop policy.

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The Labor Movement; Its Conservative Functions and Social Consequences. By FRANK TANNENBAUM. (New York: G. P. Putnam's Sons. 1921. Pp. vii, 259. \$2.)

According to Mr. Tannenbaum, the two chief causes of the labor movement are the insecurity of the worker and his subjection to the machine. Repeated changes in industrial processes have caused insecurity to become the one outstanding fact in the life of every individual. The worker, especially, no longer enjoys stability in regard to his home, his employment, or his skill. Moreover, he is always the servant rather than the master of the machine. Every new mechanical device adds to the weight and controlling power of the machine which is already the center of our economic gravity. Control of the machine means the control of modern industry so labor must have such control before it can gain security. When labor organizations establish standard hours, wages and working conditions, they use the only means at hand for "stabilizing a dynamic world." The more union rules there are, the less will there be of "freedom of competition, of change, of contraction and expansion in the present business world." At present "for the worker all things are transitory" and all labor is routine, mechanical and non-educational. The labor movement is a conservative force which resists sudden, ruthless change, exalts the manhood of the worker above his machine, offers him an outlet for his suppressed emotions, and gives him room for the exercise of creative activity. The labor movement conserves the man. But it will destroy capitalism.

The author believes that the destruction of capitalism is implicit in the growth and development of organized labor. Even the so-called conservative unions, which claim to accept the present system, strike at capitalism every time they lay down new rules and secure their enforcement. In fact, one union is just as radical as another, so far as the ultimate, inevitable goal of all unions is concerned. Mere differences in method are not fundamental. Unionism of any kind is a constant menace to industrial autocracy.

Mr. Tannenbaum insists that the right to vote should not depend upon such characteristics as sex, color, and the possession of property. In the industrial democracy of the future, he suggests the probability